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| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
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| 09/923,362 | 08/08/2001 | Glenn Raymond McClendon III | 1330.1103 | 8925 |

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EXAMINER

MCCLELLAN, JAMES S

ART UNIT PAPER NUMBER

3627

DATE MAILED: 10/05/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/923,362

Applicant(s)

MCCLENDON ET AL. 

Examiner

James S McClellan

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 08 August 2001.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-22 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-22 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 01 August 2001 is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date 11/6/01; 1/18/02.
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

DETAILED ACTION

Information Disclosure Statement

1. Applicant's submission of Information Disclosure Statements on November 6, 2001 and January 18, 2002 have been entered and considered.

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 1-13 and 18-22 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences) and therefore are found to be non-statutory subject matter. For a process, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present case, Applicant failed to apply, involve, use or advance the technological arts. For example, the method of claim 1 can be carried out manually without technology. The

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Examiner recommends adding limitations to the body of the claims that clearly indicates that technology is used to carry out the method. The following amendment to claim 1 would overcome the current 35 U.S.C. § 101 rejection:

Claim 1. A method for accounting using a computer system, comprising: executing accounting transaction using said computer system; and creating and storing posting lines using said computer system based upon the account transactions.

The example cited above is merely meant as a recommendation of a possible amendment to overcome the 35 U.S.C. § 101 rejection.

Claim Rejections - 35 USC § 102

4. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

5. Claims 1-13, 15, 16, and 18-22 are rejected under 35 U.S.C. 102(b) as being anticipated by *Fundamental Accounting Principles*, eleventh edition (Larson/Pyle).

Regarding **claim 1**, Larson/Pyle disclose a method for accounting, comprising executing accounting transactions; and creating and storing posting lines (journal entries) based on the accounting transactions (see page 56); [**claim 2**] displaying posting lines (journal entries; see Illustration 2-4 on page 57) before the posting lines are posted; [**claim 3**] correcting the transactions before the posting lines are posted (see column 59, “Correcting Errors”); [**claim 4**] correcting posting lines (journal entries) before the posting lines are posted (see column 59, “Correcting Errors”); [**claim 5**] consolidating a plurality of posting lines (see page 56,

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“compound journal entry”); **[claim 6]** modifying accounting transaction amounts without the need to refer back to previous accounting transaction amounts (see column 59, “Correcting Errors”); **[claim 7]** posting the posting lines online or offline (see page 57, “Posting Transaction Information”); **[claim 8]** determining whether to create posting lines based on accounting transactions (see page 56, “Need for a Journal”).

Regarding **claims 9-13, 15, 16, and 18-22**, Larson/Pyle discloses accounting system and methods as set forth above in detail for claim 1-8. In addition, Larson/Pyle disclose the use of a computer for accepting and storing accounting data, sorting and arranging it, performing arithmetic calculations on it, and comparing reports from the data (see page 9, “Accounting and Computers”).

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 14 and 17 are rejected under 35 U.S.C. 103(a) as being unpatentable over Larson/Pyle in view of *Official Notice*.

Larson/Pyle disclose all of the elements required by claims 14 and 17 as set forth above but fail to explicitly disclose modifying the rules in real-time (see page 9, “Accounting and Computers”).

The Examiner takes Official Notice that it is old and well known in the art to modify accounting rules in real-time as required by the users.

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It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Larson/Pyle with real-time rules modification as is well known in the art, because real-time modification allows the user greater flexibility to adjust the system to meet new requirements.

Conclusion

8. The prior art made of record and not relied upon is considered pertinent to Applicant's disclosure.

Lerner, Kaplan et al., and Bickerton et al. are cited of interest for disclosing bookkeeping and accounting systems.

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jim McClellan whose telephone number is (703) 305-0212. The examiner can normally be reached on Monday-Friday from 9:30 to 6:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Robert Olszewski, can be reached at (703) 308-5183.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-1113.

Any response to this action should be mailed to:

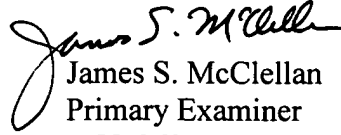
Commissioner of Patent and Trademarks
Washington D.C. 20231

or faxed to:

(703) 872-9306 (Official communications) or
(703) 746-3516 (Informal/Draft communications).

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Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive,
Arlington, VA, 7th floor receptionist.


James S. McClellan
Primary Examiner
A.U. 3627

jsm
September 29, 2004